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Farm Broadcasters Letter



Letter 2230

September 19, 1985

AG OUTLOOK

The net U.S. farm income for 1985 is forecast at \$23 to \$27 billion, compared with \$34.5 billion in 1984, according to the U.S. Department of Agriculture. Crop cash receipts should total near last year, as lower prices just offset increased production. Livestock receipts, however, are expected to fall well short of 1984. Food prices in the first 7 months of this year averaged 2.4 pct. above the same period in 1984. The small size of the rise stems in part from low farm prices. Retail food prices increases in 1985 will be among the smallest in recent years--between 2 and 3 pct.

USSR GRAINS

The September highlights of the 1985/86 USSR grain situation according to the U.S. Department of Agriculture, are: Despite harvesting delays, conditions continue to point to a relatively good 1985 Soviet grain harvest of 190 million tons. The estimate of USSR grain for feed use in 1985/86 has been reduced, reflecting improved roughage crop prospects and continued lower livestock inventories than last year. The slow rate of early season USSR grain purchases and lower demand estimate has prompted a 2-million ton reduction in the 1985/86 import estimate, to 37 million tons.

U.S. TRADE PROSPECTS FOR WHEAT

The 1985/86 U.S. wheat export forecast of the U.S. Department of Agriculture was reduced to 31.5 million tons reflecting commitments which are only 50 pct. of last year's levels. The Soviet is conspicuous in its absence. Import demand for U.S. wheat might begin to strengthen as domestic supplies tighten and countries which normally make early season purchases return to the market.

WORLD PROD. HIGHLIGHTS - COARSE GRAINS

World coarse grain production for 1985/86 is estimated at a record 839.8 million tons, up 2.5 million or less than 1 pct. from last month and up 4 pct. from last year, according to the U.S. Department of Agriculture. Important changes from a month ago include the following: U.S. production is estimated at a record 265.4 million tons, up 7.7 million or 3 pct. from last month and up 12 pct. from last year. Most of the increase was in corn and sorghum. East Europe prod. is estimated at 65.4 million tons, down 4.8 million or 7 pct. from last month and down 11 pct. from last year. China prod. is est. at 92 million tons, down 1 million or 1 pct. from last month and down 5 pct. from last year.

**U.S. COARSE
GRAIN TRADE
PROSPECTS**

The 1984/85 U.S. coarse grain trade estimate declined sharply this month as a result of a 1.9 million ton drop in the corn export estimate reflecting end-of-season stagnation in purchases by Japan, Mexico, Korea and the European Community. The 1985/86 U.S. coarse grain projection was also lowered by 1.9 million tons because of reduced import needs, particularly by the Soviet, and intensified competition from China, Argentina, Thailand and possibly South Africa in Asian markets.

**WORLD WHEAT
PRODUCTION
1985/86
HIGHLIGHTS**

The world wheat production for 1985/86 is estimated by the U.S. Department of Agriculture at 505.9 million tons, down 4 million or less than 1 pct. from last month and down 2 pct. from last year's record harvest. Important changes from a month ago include: U.S. production is estimated at 65.3 million tons, up 0.6 million or 1 pct. from last month, but down 8 pct. from last year. Canada production is est. at 22 million tons, down 1.5 million or 6 pct. from last month, but up 4 pct. from last year. European Community Countries production is est. at 68.6 million tons, down 1.5 million or 2 pct. from last month and down 10 pct. from last year's record crop. East Europe production is est. at 37.8 million tons, down 1.2 million or 3 pct. from last month and down 9 pct. from last year.

**WORLD COARSE
GRAIN
SITUATION**

The 1985/86 world coarse grain trade forecast of the U.S. Department of Agriculture was lowered a million tons while the U.S. export forecast has fallen off sharply to a five year low of 49.6 million tons. Counter to recent reports of increasing 1985 foreign production, Australian and East European crop production forecasts were reduced. Lower production has already resulted in strong demand by southern tier East European nations for imported European Community barley. Lower 1984/85 export estimates for the U.S. and Canada reflect slow end-of-season sales as importers appear to be deferring purchases until later in the year.

**WORLD WHEAT
SITUATION**

This month's 1985/86 world wheat trade estimate of 93.5 million tons is significantly below last year's record level of 107.6 million tons and down over three million tons from last month's forecast. Import forecasts for several large importers were reduced, including Brazil and the Soviet Union, whereas lower plantings and poor weather have resulted in smaller production forecasts and decreasing export availabilities for Argentina, Canada and East Europe. In the case of southern-tier East Europe countries, additional imports are expected. Demand for wheat imports, despite low prices, remains slow as many importers rely on large carryover stocks and await the possibility of lower prices later in the year.

**WORLD
OILSEEDS**

The September forecast by the U.S. Department of Agriculture of 1985/86 world oilseeds production is now placed at 194.9 million metric tons--3.1 million tons above last month's forecast, and more than 8 million tons above 1984/85. U.S. production of 56.1 million tons, 11 pct. above last year, accounts for practically all of the increase. World ending stocks for 1985/86 are now forecast to be 37 pct. above a year earlier.

FROM OUR
TELEVISION
SERVICE

FARM CREDIT SYSTEM SITUATION...George Irwin, Farm Credit Administration, comments on the serious financial problems facing the Farm Credit System, and what the Farm Credit Administration's role is as a federal regulator in this situation. Jim Johnson interviews. (471)

RANGE RESOURCE MANAGEMENT...Doug Sellars, USDA's Soil Conservation Service, talks about the different enterprises in rangeland and also comments on an upcoming National Range Conference. Jim Johnson interviews. (472)

USSR GRAIN UPDATE...A U.S. team of agricultural experts recently returned from a three week tour of several major spring wheat producing regions in the Soviet Union. USDA analyst Keith Severin discusses some of their observations. Vic Powell interviews. (473)

BEHAVE - NEW FOREST FIRE TOOL...Charles Philpot, USDA's Forest Service, describes how the computer system "BEHAVE" helps firefighters be more effective and also reduces costs. Vic Powell interviews. (474)

FARROWING CRATE RESEARCH...Stan Curtis, University of Illinois, talks about research being conducted to create new and more effective designs for farrowing crates. Gary Beaumont interviews. (475)

SEPT. WORLD
GRAIN SITUATION

This month's developments in world grain situation, according to the U.S. Department of Agriculture, include:

- Large reductions in the 1985/86 U.S. corn and wheat export forecasts and higher 1985 U.S. wheat and coarse grain production forecasts.
- A major decline in the 1985/86 wheat import forecast for Brazil because of improved crop prospects.
- Declines in the 1985/86 Soviet wheat and coarse grain import forecasts: one million wheat and one million coarse grains.
- A significant increase in the 1985/86 wheat and coarse grain import forecasts for East Europe.
- Lower wheat production forecasts for the European Community and Canada, as well as a lower export forecast for Canada.
- Higher coarse grain export forecasts in 1985/86 for Canada and Thailand.

U.S. CORN
EXPORTS

Some U.S. corn exports to the Far East could be displaced by the re-emergence of South Africa as a corn exporter and its efforts to regain its former markets in East Asia, according to the U.S. Department of Agriculture. Taiwan indicated it will take 200,000 of its estimated 3.2 million ton corn requirements from S. Africa. Japanese importers have reportedly bought 75,000-80,000 tons of S. African corn for Oct./Nov. shipment and may buy 250,000 tons by June 1986. U.S. corn exports to Japan, averaging about 14 million tons annually, are not expected to be affected by this sale.

OFF MIKE

My old Daddy used to call them "snake-bit operations." Murphy's Law says, "If anything can go wrong, it will go wrong." Both sayings apply when it comes to our reports concerning the Iowa Governor's Charity Steer Show. We've corrected ourselves about the co-emcee (Bob Baker, KOEL, Oelwein, IA), and now we learn we goofed yet another way. Doug Cooper (KWMT, Fort Dodge, IA) pointed out the error of our ways in a subtle manner: "I, too, thought it was Bob Baker--but who am I--not Larry Cooper--he's out in California. It is true, however, that my steer did attempt to run the ring under ten seconds." And he went on to report, "By the way, KMA's one and only Craighton Knau did--I repeat--did finish dead last in the competition." Our apologies to Doug for the misidentification. (If Larry feels the need for an apology, he'll have to let us know.) ... We also need to resurrect our "cabrito" story of a few weeks back...the one where we were fussin' with the spelling. Mary Mahoney (Texas A&M University, College Station, TX) did a bit more clarifying: "Not only is "cabrito" spelled with only one "b"--the word also contains only one "t". And she sent along a copy of the appropriate page from the Britannica World Language Dictionary to prove the point. And for all who have been hungering for additional information, "cabrito" is pronounced (according to aforementioned dictionary) "kah-VREE-toh" ... Welcome visitor this week, Jeff Stewart (KOLM, Rochester, MN), in town with farmers visiting their Congressmen/Senators ... Wayne Rothgeb retired from WKJG-TV, Fort Wayne, IN, three weeks ago. More later ... Received in the mail, new book co-authored by Harry Martin and Dan Modlin (Rural Radio Network, New Palestine, IN), titled "Farming Talk." It's a collection of short broadcasts on today's farm problems, farm interests, and farm topics. Well done!

FROM OUR RADIO SERVICE

AGRICULTURE USA #1477...(Weekly 13½ min documentary) Farmers are not the only ones who are in deep financial trouble because of too much borrowing and too little income. Families across the country face this sort of problem. On this edition of Agriculture USA, Gary Crawford talks with volunteers who are helping people solve their financial problems.

AGRITAPE/FARM PROGRAM REPORT #1466...(Weekly reel of news features) USDA news highlights; Export enhancement program update; An important meeting in October to remember; Using saline water; The only way to go...conservation tillage.

CONSUMER TIME #959...(Weekly reel of five 2½-3 min features) Fashions for the plus woman; Imported clothing; Gator nuggets; An Alaskan forest; I believe you.

USDA RADIO NEWS SERVICE...Tues, Oct. 2, Weekly weather and crop outlook; Fri, Oct. 4, Livestock and poultry outlook; Thurs, Oct. 10, U.S. crop production; World ag. supply and demand and Soybean stocks report. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EDT each working day.



JAMES L. JOHNSON, Chief
Radio-Television Division